

**EXTOL MSC BERHAD (643683-U)****(Incorporated in Malaysia)****QUARTERLY REPORT**

FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2008

(The figures have not been audited)

## CONDENSED CONSOLIDATED BALANCE SHEETS

		AS AT END OF CURRENT FINANCIAL QUARTER 31/03/2008 Unaudited RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2007 Audited RM'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		5,210	5,090
Prepaid lease assets		921	984
Goodwill		3,510	3,510
Product development expenditure		4,932	4,870
		14,573	14,454
<b>CURRENT ASSETS</b>			
Inventories		1	1
Trade receivables		4,742	6,492
Other receivables		168	125
Tax recoverable		58	58
Short term investment		862	855
Fixed deposit with a licensed bank		1,480	1,469
Cash and bank balances		3,974	1,890
		11,285	10,890
<b>TOTAL ASSETS</b>		25,858	25,344
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Share Capital		10,440	10,440
Share Premium		3,620	3,620
Retained Profit		4,870	4,894
<b>Equity attributable to equity holders of the parent</b>		18,930	18,954
Minority Interest		151	144
<b>Total equity</b>		19,081	19,098
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		873	878
Hire purchase creditor	B10	97	107
Term loans	B10	458	496
Lease creditor	B10	670	733
		2,098	2,214
<b>CURRENT LIABILITIES</b>			
Trade payables		1,693	2,631
Bills payable	B10	2,239	844
Other payables and accruals		152	198
Provision for taxation		27	-
Hire purchase creditor	B10	40	40
Term loans	B10	87	68
Lease creditor	B10	251	251
Bank overdraft	B10	190	-
		4,679	4,032
<b>Total Liabilities</b>		6,777	6,246
<b>TOTAL EQUITY AND LIABILITIES</b>		25,858	25,344
Number of ordinary shares at RM0.10 par each ('000)		104,400	104,400
Net Asset per share (Sen)		18.13	18.16

**NOTES:**

*The Unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to this report.*

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CONDENSED CONSOLIDATED INCOME STATEMENTS

	Notes	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT FINANCIAL YEAR QUARTER 31/3/2008 RM'000	PRECEDING FINANCIAL YEAR CORRESPONDING QUARTER 31/3/2007 RM'000	CURRENT FINANCIAL YEAR TO DATE 31/3/2008 RM'000	PRECEDING FINANCIAL YEAR CORRESPONDING PERIOD 31/3/2007 RM'000
REVENUE	A9	3,131	3,357	3,131	3,357
COST OF SALES		(1,418)	(1,627)	(1,418)	(1,627)
GROSS PROFIT		1,713	1,730	1,713	1,730
OTHER INCOME		37	37	37	37
INTEREST INCOME		27	36	27	36
OPERATING EXPENSES		(1,717)	(1,382)	(1,717)	(1,382)
PROFIT FROM OPERATIONS		60	421	60	421
INTEREST EXPENSE		(55)	(14)	(55)	(14)
PROFIT BEFORE TAXATION		5	407	5	407
TAXATION	B5	(22)	-	(22)	-
(LOSS)/PROFIT AFTER TAXATION		(17)	407	(17)	407
ATTRIBUTABLE TO:					
- EQUITY HOLDERS OF THE PARENT		(24)	407	(24)	407
- MINORITY INTERESTS		7	-	7	-
NET (LOSS)/PROFIT FOR THE PERIOD		(17)	407	(17)	407
Earnings Per Ordinary Share					
- Basic (sen)	B13a	-0.02	0.39	-0.02	0.39
- Diluted (sen)	B13b	N/A	N/A	N/A	N/A

**NOTES:**

*The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to this report.*

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<----- Attributable to equity holder of the parent ----->					Total Equity
	Distributable			Total	Minority Interests	
	Share Capital	Share Premium	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>3 months ended 31 March 2007</b>						
As at 1st January 2007	10,440	3,620	4,329	18,389	-	18,389
Profit after taxation	-	-	407	407	-	407
As at 31st March 2007	10,440	3,620	4,736	18,796	-	18,796
<b>3 months ended 31 March 2008</b>						
As at 1st January 2008	10,440	3,620	4,894	18,954	144	19,098
(Loss)/Profit after taxation	-	-	(24)	(24)	7	(17)
As at 31st March 2008	10,440	3,620	4,870	18,930	151	19,081

**NOTES:**

*The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to this report.*

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	<b>01/01/2008 to 31/03/2008</b>	<b>Corresponding period 01/01/2007 to 31/03/2007</b>
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	5	407
Adjustments for:		
Amortisation of prepaid lease assets	63	-
Amortisation of product development cost	154	128
Depreciation of property, plant equipment	239	201
Interest income	(27)	(36)
Interest expenses	55	14
Operating profit before working capital changes	489	714
Increase/(Decrease) in working capital		
Inventories	-	1
Trade receivables	1,751	1,464
Other receivables	(43)	292
Trade payables	(938)	637
Bills payable	1,395	(1,385)
Other payables	(45)	105
	2,120	1,114
Cash generated in operations	2,609	1,828
Bank overdraft interest paid	(1)	(1)
Bill payable interest paid	(33)	-
Net cash generated in operating activities	2,575	1,827
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(359)	(294)
Research and development expenditure	(217)	(304)
Interest income	27	36
Net cash used in investing activities	(549)	(562)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loans	(21)	(31)
Term loan interest paid	(9)	(10)
Repayment to hire purchase creditor	(10)	(14)
Hire purchase interest paid	(1)	(2)
Repayment to lease creditor	(63)	-
Leasing interest paid	(10)	-
Net cash used in financing activities	(114)	(57)
Exchange differences on translation of the financial statement of foreign operations		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,912	1,208
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	4,214	3,063
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	6,126	4,271
<b>Cash and cash equivalents comprise :</b>		
Short term investment	862	4,233
Fixed deposit with licensed bank	1,480	-
Cash and bank balances	3,974	54
Overdraft	(190)	(16)
	6,126	4,271

**NOTES:**

*The Unaudited Condensed Consolidated Cashflow Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to this report.*